

GIN 00-1

8/01/00

SUBJECT: OFFICIAL MEMORANDUM

GRANT INSTRUCTION:

The Department of Human Resources (hereinafter referred to as the Department) has adopted the use of official memorandums to issue grant instructions to all grantees relative to financial management requirements for Healthy Nevada programs funded by the Task Force for the Fund for a Healthy Nevada.

These memorandums are identified by the term GIN (Grant Instruction-Nevada), followed by the last two digits of the calendar year and numbered serially as they are issued.

Each program director is instructed to maintain a complete set of these documents, which will be verified during the fiscal monitorings. Programs that do not follow the requirements outlined in the GINS will be jeopardizing their receipt of funds.

GIN 00-2

8/01/00

SUBJECT: GRANTOR AUTHORITY

GRANT INSTRUCTION:

This grant instruction transmits to all grantees the role of the Task Force for the Fund for a Healthy Nevada (grantor). The grantor cannot be limited in its rights by the grantee, as grantor rules and regulations shall supersede grantee rules and regulations. The State's ability to evaluate the grant will not be curtailed or hampered. This includes access to any document or record which is pertinent to the program and the interviewing of staff, clients, or agency personnel in accordance with the procedures of confidentiality.

GIN 00-3

8/01/00

SUBJECT: ALLOWABILITY AND ALLOCABILITY OF COSTS

GRANT INSTRUCTION:

This grant instruction applies to all grantees.

1. For a cost to be allowable as a charge against grant funds it must first be allocable to that grant. For consistency purposes, grants made from the Fund for a Healthy Nevada will follow the federal grant guidance in regards to allowability and allocability of costs. In accordance with OMB Circular A-21 for colleges and universities, OMB Circular A-87 for State and Local Governments, and OMB Circular A-122 for non-profit grantees a cost is allocable to a particular cost objective (program) to the extent of the benefit received or in accordance with the relative benefit received. This means if a grantee incurs a cost for goods or services used by more than one program, that the cost must be charged to both programs. Each program will be charged for the percentage of the cost of the goods or services used by each program. The method for determining that percentage is discussed below under 1.a.

This requirement must be taken into consideration when a grantee incurs a cost that benefits more than one cost objective (program). One example would be having one director who works for two different programs. Another example would be a utility bill for a building used for two different programs, each with separate and distinct funding.

When there are multiple cost objectives the grantee must do the following:

- a. Develop and document a reasonable methodology for determining how each applicable cost will be allocated to each cost objective (program) involved. This method must be designed to allocate to a program the portion of the cost that benefits the program. Examples of reasonable methodologies include, but are not limited to:
 - 1) The salary of a single person performing duties for multiple programs will be allocated based on the time the person spends on each program as documented by time studies.
 - 2) Facility expenses for a building housing multiple programs will be allocated based on the number of square feet used by each program as documented by a building use study.
 - 3) Raw food expenses will be allocated based on the documented monthly meal counts.
 - b. Maintain documentation that supports the allocation of a cost to each program based on the methodology developed pursuant to a. above. Examples of this type of documentation include, but are not limited to:
 - 1) Time studies
 - 2) Vehicle use studies
 - 3) Building use studies
2. To be allowable under a Fund grant award costs must also meet criteria as follows:
- a. Be necessary and reasonable for proper and efficient performance and administration of Fund awards.
 - b. Conform to any limitations or exclusions set forth in these GINS, or other governing limitations as to type or amount of cost items.
 - c. Be consistent with policies and procedures that apply uniformly to Fund financed and other activities of the organization.
 - d. Be accorded consistent treatment.
 - e. Be determined in accordance with generally accepted accounting principles.
 - f. Be adequately documented.

GIN 00-4

8/01/00

SUBJECT: COST SHARING OR MATCHING REQUIREMENTS

GRANT INSTRUCTION:

Matching funds are not required as a condition of these grants. Match may be cash contributions or in-kind match:

Proposed matches are checked during audit. Grantees must maintain documents substantiating any cost sharing or matching. All matches must directly benefit the program for which the funds are granted.

GIN 00-5

8/01/00

SUBJECT: PROGRAM INCOME ACCOUNTING PROCEDURES

GRANT INSTRUCTION:

1. Each program must maintain a system which assures confidentiality and which also assures accountability of all program contributions. All participant contributions must be credited to the appropriate entitlement.
2. Internal accounting and administrative controls must be sufficient to provide reasonable but not absolute prevention of fraud; i.e., ensure all income is accounted for and properly deposited.

GIN 00-6

Date 8/01/00

**SUBJECT: PROCEDURES FOR FISCAL MONITORING &
ADMINISTRATIVE REVIEW**

GRANT INSTRUCTION:

1. If the Department attempts to perform a financial monitoring and discovers that either adequate records do not exist or the condition of the records is such that a fiscal monitoring cannot be completed, grantee will receive a preliminary report indicating the Department was unable to perform a fiscal monitoring. The report will list the areas of deficiency that need to be corrected before a fiscal monitoring can be completed and the date by which these deficiencies must be corrected.

A grantee may be subject to the withholding of any further funding from the Department until the deficiencies are corrected and the fiscal monitoring completed.

2. Upon completion of a Department fiscal monitoring, the grantee will receive a preliminary report which specifies the findings of the Department, subsequent recommendations, and a deadline for responding to the preliminary report.
3. The grantee must submit within the time frame specified in the report, a written response with any disagreement of adverse findings. Adverse findings are defined as:
 - a. Lack of adequate records is a situation in which the Department determines either: sufficient records do not exist or the records are not in a condition to allow the Department to perform a fiscal monitoring.
 - b. Administrative findings include those findings which represent weaknesses in the internal accounting and administrative controls but do not include questioned costs or costs recommended for disallowance.
 - c. Questioned costs are those costs that cannot be supported by documentation. With approved documentation, questioned costs may

- become allowable. Without documentation, they will become disallowed costs.
- d. Costs recommended for disallowance are costs that are in direct violation of State policies.
 4. It will be necessary to submit to the Department a listing of each point of disagreement and justifications for each disagreement. The Department will review and consider the points and justification of disagreement items. If warranted, the Department will make corrections and/or adjustments to the report and issue an amended final report.
 5. If the grantee remains in disagreement and can furnish additional supportive documentation, a request for an administrative review must be made in writing to the Administrative Services Officer of the Department within sixty (60) days of the receipt of the final report. For purposes of calculating date of receipt, the Department will use three (3) working days from the date of the final report.
 6. Upon receipt of the request for administrative review the grantee will be notified by letter of the date for the grantee to present their issues of disagreement.
 7. The Department shall review the disagreement issues, supporting documentation, and the Department files and forwards a decision to the grantee in writing.

GIN 00-8

Date 8/01/00

SUBJECT: BUDGET TRANSFERS BETWEEN CATEGORIES
GRANT INSTRUCTION

1. Budget transfers between categories are restricted as follows:
 - a. Personnel - all transfers require prior approval from the Department's Administrative Services Officer (ASO).
 - b. All other categories - only transfers that exceed 10% of the category budget require prior approval from the Department ASO.
2. Grantees must complete and submit a Request for Budget Modification form, which must include a detailed narrative as to why the transfer is needed. This form must be completed and submitted for all budget transfers, including those under 10%.
3. For transfers requiring ASO approval, notification will be provided in writing
4. Proposed expenditures must be consistent with approved goals for the current grant agreement. (Added 9/11/02)
5. Requests for budget transfers must be made prior to expenditure of funds for non-budgeted items. Failure to request transfers in advance of expenditures may result in not receiving reimbursement for expenditures. (Added 9/11/02)

GIN 00-9

Date 8/01/00

SUBJECT: PROBATIONAL STATUS
GRANT INSTRUCTION:

A program may be placed on probationary status if the program has been found to be out of compliance with the contract or the grant instructions of the Department of Human Resources. A program may also be placed on probationary status if it is found the

program does not have the ability to or for any reason is not properly managing the program funded by the Task Force for a Healthy Nevada. The length and terms of probationary status will be determined by the Administrative Services Officer of the Department of Human Resources.

Addendum to GIN 00-9
Date 11/13/01

The following steps will be taken in relation to grantee probationary status:

1. The contract monitor will notify the grantee of probationary status in writing, citing the reasons for that action, and will meet with the grantee to determine the current status of the program with regard to original goals.
2. The grantee may be required to submit new goals and a strategy for achieving those goals, within two weeks of request, to the grant administrator for approval.
3. Funds may be withheld from the grantee until such a time as the grantee is deemed to be "on-track" with the approved goals and strategy.
4. The grantee may be required to appear before the Task Force for the Fund for A Healthy Nevada to determine whether or not the grant should continue.

GIN 00-10
Date 8/01/00

SUBJECT: RETENTION AND DISPOSAL OF PROJECT DOCUMENTS
GRANT INSTRUCTION:

1. Financial records, supporting documents, statistical records, and all other records pertinent to a grant agreement must be retained for a period of three years from the date of the submission of the final expenditures report or the annual financial status report. Consequently, if no litigation, claims, or audits are pending that involve project records, grantee staff may dispose of materials three or more years subsequent to the submission of the final expenditures or financial status reports.

If any litigation, claim or audit is started before the end of the three-year period, then all pertinent documents must be retained until all actions involving the records have been resolved.

2. During the three year period, or any extended period resulting from litigation, claims, or audits, the Administrative Services Officer of the Department of Human Resources – Director's Office, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers, or records of grantees to make audits, examinations, excerpts, and transcripts.
3. For tax purposes, organizations must keep records as long as their contents may become material in the administration of any internal revenue law.

To support items of income or deductions on tax returns records must be kept until the statute of limitations for that return expires.

GIN 00-11
Date 8/01/00

SUBJECT: GRANTEE RESPONSIBILITIES

GRANT INSTRUCTION:

1. The grantee organization assumes full responsibility for the overall program which includes: fiscal administration, timely submission of required reports, program management including personnel, and the meeting of the goals and objectives in the approved grant application. The grantee does not relinquish responsibility by having a board or representative act on its behalf.

The grantee shall maintain effective control and accountability for all grant funds, property, and other assets. Good internal control necessitates that fiscal responsibilities be clearly established. Accounting functions should be separated to the fullest extent possible, so that no one person authorizes, executes, and approves of the same transactions.

2. The grantee must maintain continuing responsibility for the overall program. This includes the establishment of policies and procedures for program operations. The following areas must not be delegated to boards, subgrantees or persons who are not employees or officials of the grantee organization.
 - a. The development and maintenance of a personnel policy including hiring, terminating, supervising and evaluating the program director.
 - b. Being informed of, and accountable for, all program income and expenditures.
 - c. Performance of timely written evaluations of the program and the monitoring of established goals and objectives as written in the program's grant.
 - d. Financial reports and all other reports required by the Department.
 - Monthly or quarterly (depending on size of grant) requests for funds
 - Quarterly progress reports
 - Annual financial reports
 - Final program reports
 - e. Administration of the program in accordance with grant instructions and administrative procedures established by the Department.
3. If the grantee decides to establish a policy-making body, its role and responsibilities must be clearly defined. Written documentation must be provided to the Department of Human Resources to determine compliance with all appropriate State, Department and Task Force directives.
4. Any activities that might possibly deviate from the goals identified in the grant agreement must receive prior approval from the grant administrator, and may require an amendment to the grant agreement.
5. Grantees must establish a system of accounting for all equipment purchases of \$500 or more. The system must include at a minimum a listing of all equipment costing \$500 or more purchased with grant funds and the equipment's physical location. (Added 6/3/03)

GIN 00-12

Date 8/01/00

SUBJECT: HANDLING ACCOUNTS PAYABLE AT THE END OF THE GRANT YEAR

GRANT INSTRUCTION:

All goods and services ordered by the last day of the program's grant year, but not yet paid, are to be treated as an accounts payable of that grant year.

GIN 00-13

Date 10/1/01 **Update 4/8/03**

SUBJECT: PROCEDURES FOR SUBMITTING FINANCIAL STATUS REPORT AND REQUEST FOR FUNDS

GRANT INSTRUCTION:

1. Grantees will request funds on a reimbursement basis. Grantees must submit a Financial Status Report and Request for Funds to the Department of Human Resources, Director's Office, on a monthly basis if the total grant award is more than \$25,000. If the total grant award is \$25,000 or less, a Financial Status Report and Request for Funds may be submitted on a quarterly basis.
2. Advances may be allowed in special circumstances. A request for an advance must include documentation indicating the reasons for the advance. The Department Administrative Services Officer reserves the right to deny requests for advances. Multiple or unsupportable requests for advances may result in a fiscal review by the Department. A Request for Advance Funds form must be completed.
3. The Financial Status Report and Request for Funds must be completed in full. Incomplete fields or mathematical inaccuracies may result in a delay of funds being issued.
4. Documentation supporting the request for funds may be required at the time of submission. Supporting documents may include copies of purchase orders, invoices, receipts, payroll registers and/or any other documentation available that supports expenditures and request for funds. In addition, a copy of supporting documentation must be kept on file for review at the time of the Department's fiscal review.

GIN 00-14

Date 8/01/00

SUBJECT: PROCEDURES FOR PROCESSING CARRY-OVER OF FUNDS

GRANT INSTRUCTION:

1. Grantees will have an opportunity to carry-over funds from Year 1 to Year 2 of the grant cycle. Approval of a carry-over from Year 1 to Year 2 will depend on the progress being made to achieve project goals.
2. Requests for carry-over must be submitted to the Department in writing with an explanation for not expending the funds in Year 1.
3. The Administrative Services Officer reserves the right to deny requests for carry-over of funds if significant progress has not been made to achieve project goals.
4. Grant funds not expended at the end of year 2 will revert to the Fund for a Healthy Nevada unless otherwise specified in the contract.

GIN 01-15

Date 11/08/01

**SUBJECT: VERBIAGE FOR PUBLIC ACKNOWLEDGEMENT OF FUNDING
FROM THE TASK FORCE FOR THE FUND FOR A HEALTHY
NEVADA.**

GRANT INSTRUCTION:

This grant instruction applies to all materials, labeling and/or other media developed with these grant funds.

1. Any acknowledgment of the funding source must identify the source as "The Task Force for the Fund for A Healthy Nevada."
2. Printed acknowledgement should read: "Funded by a grant from the Task Force for the Fund for A Healthy Nevada." If partially funded, the acknowledgement should read "Partially funded by a grant from the Task Force for the Fund for A Healthy Nevada."

GIN 03-16

Date 3/31/03

SUBJECT: GRANT EXPENDITURE SPREADSHEETS

GRANT INSTRUCTION:

1. All grantees are required to track their Healthy Nevada grant expenditures in a manner that will allow easy reconciliation to the funds drawn. The grantee should use a format that is a detailed list of expenses sorted by budget category, and reconciled to the funds drawn from the Fund for a Healthy Nevada See attached example or call the Department for assistance if needed.

GIN 03-17

Date 5/20/03

SUBJECT: FLOW THROUGH OF REQUIREMENTS FOR SUB-AWARDS

1. All instructions, requirements and regulations for grants under the Fund for a Healthy Nevada are applicable to sub-awards, mini-grants, or other mechanisms passing on these funds. It is the responsibility of the grantee to ensure compliance through monitoring, reporting, site visits, or other means. The Department may implement probationary measures with the grantee, for non-compliance on the part of the sub-grantee.

APPROVED _____
Mike Torvinen
Administrative Services Officer IV

Date: _____